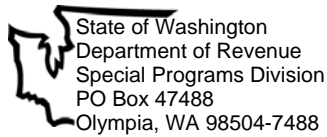


FOR DEATHS OCCURRING ON OR AFTER MAY 17, 2005



Washington State Estate and Transfer Tax Return

PART 1 - Decedent and Executor (type or complete in ink)

Dept Use Only

EST**REG / AR**

Index Number

Posting Period

M	M	Y	Y
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1. Decedent's first name and middle initial		2. Decedent's last name		3. Social Security No.	
4. Legal residence (domicile) at time of death (county, state, and zip code, or foreign country)			5. Year domicile established	6. Date of birth	7. Date of death
8. Name, Address, and Phone Number of Person Required to File Telephone No.: _____ Email Address: _____			9. Name, Address, and Phone Number of Preparer (if applicable) Telephone No.: _____ Email Address: _____		
10. Name and location of court where Will was probated or estate administered				11. Cause Number	
12. Check if applicable: <input type="checkbox"/> Decedent died testate <input type="checkbox"/> Nonresident return <input type="checkbox"/> Amended Return <input type="checkbox"/> Installment payment or filing election <input type="checkbox"/> Federal Extension Form attached					

I, _____, as the person required to file the estate tax return for the estate of _____, authorize the Department of Revenue to release confidential estate tax information to _____. Preparer is authorized to inspect, discuss, and/or receive confidential estate tax information from the Department of Revenue.

(Please Print) (Name of Decedent) (Preparer)

PART 2 - Tax Computation

- Federal Taxable Estate** (from Federal Form 706) _____
- Adjustments to Federal Taxable Estate** (see page 2) _____
- Adjusted Federal Taxable Estate** (total of lines 1 and 2) _____
- Washington State Deductions** (total of lines 4a - 4c) _____
 Statutory Deduction 4a _____
 Farm Deduction 4b _____
 WA QTIP Deduction 4c _____
- Washington Taxable Estate** (line 3 less line 4) _____
- Gross Washington Estate Tax** (Table W on page 2) Figure the tax by using the amount on line 5. _____
- Identify out of state property (If no property, go to line 9)**

Schedule/Item	Amount	Schedule/Item	Amount	Schedule/Item	Amount

- Computation of Apportionment for Out of State Property:**
 - Total Value of Out of State Property Listed in 7 above _____
 - Gross Estate (from Federal Form 706) _____
 - Value of the Gross Estate less farm deduction (8b less 4b) _____
 - Gross estate (less farm deduction) less out of state property (line 8c less 8a) _____
 - Washington Tax Due (Line 8d divided by line 8c multiplied by line 6) _____
- Washington Estate Tax Due (equals line 6, or if apportioning for Out-of-State property, line 8e)** _____
- Tax previously paid to Washington State** _____
- Balance** _____
- Interest due on any tax not paid within 9 months after date of death** _____
- Total Tax and Interest Due (add lines 11 and 12)** _____

TOTAL AMOUNT ENCLOSED _____

Under penalty of law, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Person Required to File _____

Date _____

INSTRUCTIONS

WHO MUST FILE This Washington Estate Tax Return must be filed by the personal representative if the decedent died on or after May 17, 2005, owned property located in the state of Washington, and the gross estate exceeds the filing threshold for the year of the decedent's death. A complete copy of the signed Federal Form 706, 706NA, or 706QDT, along with all supporting documentation, must be attached to the Washington return. There is a different return for deaths occurring prior to May 17, 2005.

FILING THRESHOLDS

Time Period	Filing Threshold
May 17 - December 31, 2005	\$1,500,000
January 1, 2006 and thereafter	\$2,000,000

WHEN AND WHERE TO FILE The return is due nine months after the date of death of the decedent. This return is to be filed with the Department of Revenue, Special Programs Division, PO Box 47488, Olympia, WA 98504-7488.

CALCULATION OF TAX

The tax is calculated using the Washington Taxable estate. The "Washington taxable estate" means the federal taxable estate determined without regard to the deduction for state estate, inheritance, legacy, or succession taxes, or federal QTP deduction taken if a Washington QTIP was taken:

- Less \$1.5 million for decedents dying May 17 - December 31, 2005, and \$2 million for decedents dying on or after January 1, 2006;
- Less the amount of real or tangible personal property used for farming purposes that qualifies for the farm deduction; and
- Less WA QTIP deduction.

TABLE W

From Line 5: if Washington Taxable Estate is at Least	But less than	The Amount of Tax Equals Initial Tax Amount	Plus Tax Rate %	Of Washington Taxable Estate Value Greater Than
\$0	\$1,000,000	\$0	10.00%	\$0
\$1,000,000	\$2,000,000	\$100,000	14.00%	\$1,000,000
\$2,000,000	\$3,000,000	\$240,000	15.00%	\$2,000,000
\$3,000,000	\$4,000,000	\$390,000	16.00%	\$3,000,000
\$4,000,000	\$6,000,000	\$550,000	17.00%	\$4,000,000
\$6,000,000	\$7,000,000	\$890,000	18.00%	\$6,000,000
\$7,000,000	\$9,000,000	\$1,070,000	18.50%	\$7,000,000
\$9,000,000		\$1,440,000	19.00%	\$9,000,000

SPECIFIC INSTRUCTIONS FOR PART 2 - COMPUTATION OF TAX

LINE 1: Enter the amount of the federal taxable estate. The entire taxable estate reported on the federal return must be reported to Washington.

LINE 2: The following items must be added back into the federal taxable estate: (a) Amount of federal QTIP deduction taken if the estate also elected to take a Washington QTIP election; and (b) Amounts of estate tax paid to Washington or any other state or district taken as a deduction under section 2058 IRC. Total the amounts for (a) and (b), if any, and enter on Page 1, Part 2, Line 2. Note - Funeral expenses on the Federal Form 706 and the Washington return should be reduced by 50% in a community property estate.

LINE 3: Add lines 1 and 2 and enter the result on line 3.

LINE 4: On line 4a enter the appropriate statutory deduction. For 2005 deaths enter \$1.5 million and for 2006 deaths and thereafter, enter \$2 million. On line 4b enter the amount taken for the farm deduction. See Chapter 458-57 WAC for additional instructions for determining the farm deduction. Add lines 4a through 4c and enter result on line 4.

LINE 5: Subtract line 4 from line 3 and enter the result on line 5. This figure equals the "Washington Taxable Estate."

LINE 6: Use Table W to determine the tax on the Washington Taxable Estate and enter the amount on line 6. For additional information on calculating the tax see Chapter 458-57 WAC.

LINE 7: Identify out of state property. In the schedule/item column enter the schedule and item number as listed on the Federal Form 706. If no out of state property, go to line 9.

LINE 8: Computation of Apportionment for Out of State Property:

- On line 8a enter the total value of out of state property listed in the line 7 table.
- On line 8b enter the value of the gross estate from Part 2, line 1 of the Federal Form 706.
- On line 8c - subtract line 4b from line 8b and enter the value of the gross estate less farm deduction on line 8c.
- On line 8d - subtract line 8a from line 8c and enter the value of Washington property less farm deduction on line 8d.
- On line 8e - divide line 8d by line 8c and use the result to multiply by line 6 and enter the result on line 8e.

LINE 9: Enter the Washington Estate Tax Due. This amount equals line 6 or if apportioning for out of state property, line 8e.

SIGNATURE:

The personal representative, fiduciary, executor, taxpayer, trustee, attorney, or designated filer of the estate must sign this return. The Department will not contact the preparer regarding return questions unless the release portion at the end of Part 1, Page 1 is completed.

ESTATE TAX FILING CHECKLIST AND INFORMATION SHEET

Checklist for those estates that must file an estate tax return

- Copy of Federal Form 706 United States (and Generation-Skipping Transfer), 706NA, or 706QDT Tax Return signed by the person required to file;
- All supporting documentation for completed return schedules;
- Copy of approved Form 4768 Application for Extension of Time to File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes, if filed;
- Original Washington Estate and Transfer Tax Return signed by the person or persons required to file;
- Copy(ies) of any Washington schedules that differ from the Form 706 schedules, along with supporting documentation (Schedule J or M);
- Copy of Death Certificate;
- Copy of Will;
- Copy of letters of administration/testamentary, if any;
- Copy of trust(s);
- Copy of other state estate tax returns and proof of payment, if any; and
- Payment, if any.

After Filing - What's Next

- The filing will be reviewed in order based upon the postmark date. During our review we may request additional information or documentation. When the Department's examination is complete or when a copy of the federal closing letter, acceptance letter, or IRS final examination papers is filed with the Department, the Department will issue a final estate tax release.
- We are often asked if a Department of Revenue release is needed to make distributions or to close probate. A Department release is not required to make distributions or to close probate; however, the personal representative is ultimately responsible for payment of any tax due. Please note that if the estate is closed and there is an adjustment that results in a refund a warrant will be made out in the name of the estate and it may be difficult to negotiate the warrant if the estate is closed.

Top Ten Most Common Estate Tax Filing Errors

1. Estate tax filing is not complete. Failed to file supporting documentation for completed schedules.
2. Copies of the death certificate, will, and/or trusts are not filed with the return.
3. Washington estate tax return or Form 706 not signed by person required to file the return.
4. Taxable gifts are not considered when determining if an estate meets the filing threshold.
5. Errors made calculating the state death tax.
6. Funeral expenses not reduced by 50% in a community property estate.
7. Failure to adequately identify assets are that included as part of a marital deduction or credit shelter trust.
8. Incorrect apportionment of assets between Washington and other states and incorrect apportionment calculation. Estate fails to include a copy of the other state estate tax return and proof of payment.
9. Mortgages on real property deducted on Schedule A rather than on the appropriate Schedule K.
10. Incorrect valuation of stocks and bonds, using closing value rather than the average of the high and low for the date of death or alternate valuation date.

What if I have questions regarding the new estate tax?

- **Telephone:** Please call (360) 570-3265 and press option number 2 to be connected with the next available estate tax specialist.
- **E-mail:** You can send your questions via e-mail to communications@dor.wa.gov.
- **Web site:** Additional information on the estate tax is available on the Department's web site at http://dor.wa.gov/content/taxes/other/tax_estate.aspx.
- **E-mail list service:** You can subscribe to Estate Tax Notifications at <https://dor.wa.gov/Content/Contactus/email/listServ.aspx?listtype=estate>. By subscribing to the list you will receive information updates from the Department. You are free to unsubscribe at any time.

For tax assistance visit <http://dor.wa.gov> or call (360) 570-3265. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.